Improving Medical Performance

(Strategic Planning for Healthcare, Leadership , Managed Care & Practitioner Appraisal)

Lecture 10

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Intended Learning Outputs

By the end of this session, participants should be able to:

- Identify & recognize Strategy
- Identify Steps for Strategic Management
- Identify & recognize Hoshin Planning.
- Identify & analyze the role of leaders in Translating Strategic Goals into Quality Outcomes
- Managed care, clinical practice guidelines , clinical pathways , DRG's & Casemix .

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Strategic Planning for Healthcare Quality:

"Without a strategy the organization is like a ship without a rudder, going around in circles."

Joel Ross and Michael Kami (Thompson & Strickland, 1996)

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"strategy"

The word "strategy" derives from the Greek word **stratçgos;** which derives from two words: -
"stratos" – meaning **army.**
"ago" – which is the ancient Greek for **leading**/guiding/moving.

✓**Strategy is not planning.**

❑**Strategy deals with competitive situation in an uncontrolled environment.**

❑**Planning deals with situations in a controlled environment.**

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“strategy”

it is:

"A style of thinking; a conscious and deliberate process; an intensive implementation system; the art of ensuring future success."

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Quality has received a great deal of industry attention in recent years because organizations have come to realize that, *to be successful, quality must be an integral part of the strategic plan*.

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Strategic Management Process

"includes all the decisions and actions required to meet the strategic goals."

- Before a strategy is formulated, leaders consider **what they want to do**, **what they should do**, and **what they can do** .
- Consideration of these three issues leads to the development of a strategic plan.

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Core questions for strategic planning:

- What are we doing now?
- Where do we want to be?
- How are we going to get there?
- What are the risks?
- How do we measure our progress?

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1. What the Organization Wants To Do
a. Mission and Vision

Mission :

- refers to the organization's **purpose or reason for existing**. It answers questions such as, "Why are we here?" "Whom do we serve?" and "What do we do?"

Vision :

- is an organization's statement of **its goals for the future**, described in measurable terms that clarify **the direction** for everyone in the organization.
- An organization's direction is built upon its mission and is guided by its vision.

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c. Goals and Objectives

Goals and objectives are essential components of any planning process; **they guide actions and serve as a yardstick for measuring the organization's progress and performance**.

Bill Hewlett, co-founder of Hewlett-Packard, once observed,

"You cannot manage what you cannot measure…and what gets measured gets done"

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- There sometimes is confusion over the terms goal and objective; **they differ with respect to scope and specificity**.

- In general, **goals are** broad, general statements specifying a purpose or desired outcome and may be more abstract in nature than objectives **(one goal can have several objectives).**

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Establishing goals is the initial step in the strategic planning process and sets the direction for the activities to follow.

In general, goals need to be (SMART):

- **S**imple, Specific , observable
- **M**easurable
- Challenging but **a**ttainable & controllable
- **R**eliable
- **T**ime-limited.

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2. Assessment of the External Environment (What the Organization Should Do) :

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PESTEL Analysis (Macro Analysis of General External environment)

Political

Economic

Socio- culutral

Technological

Environmental

Legal

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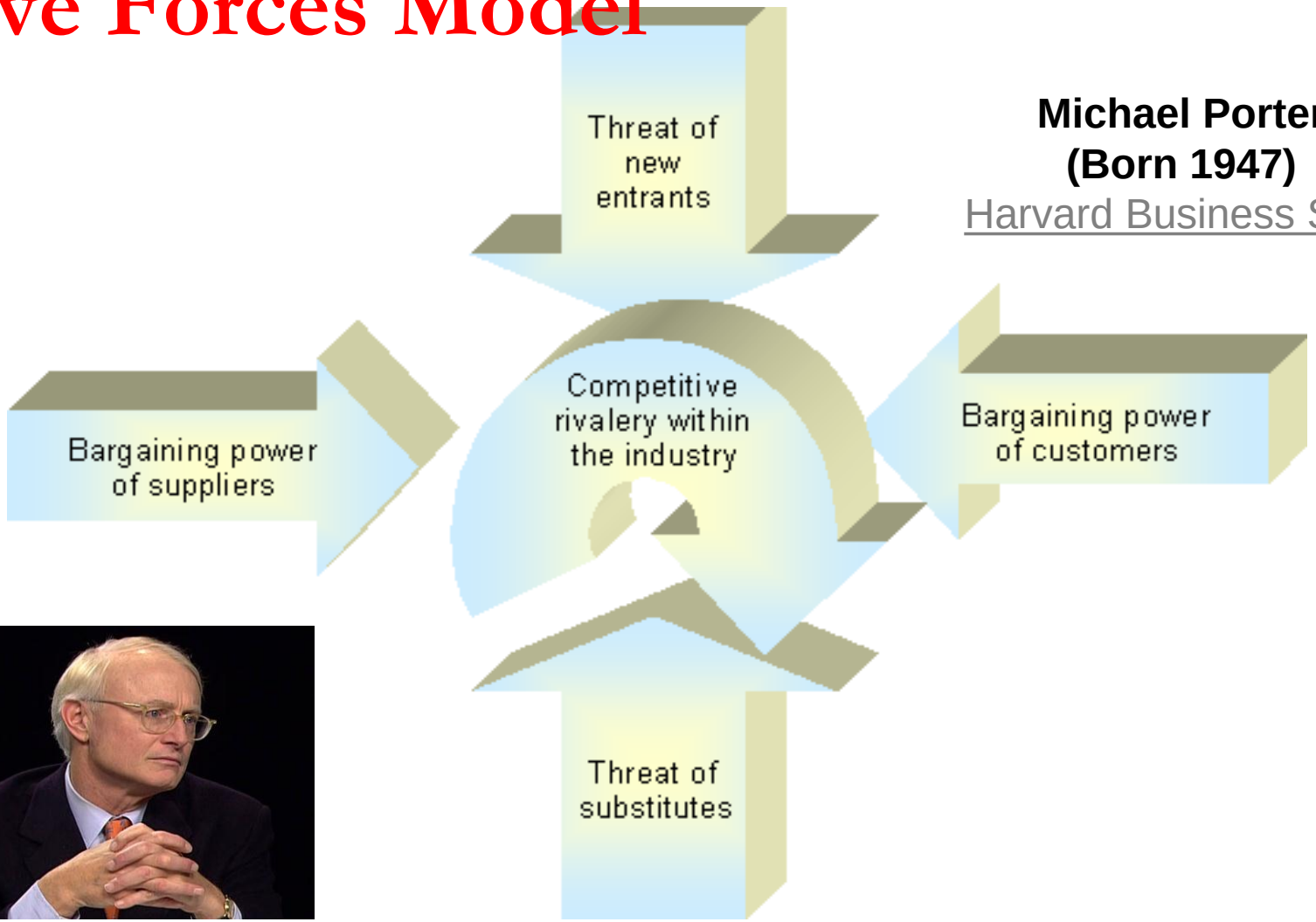
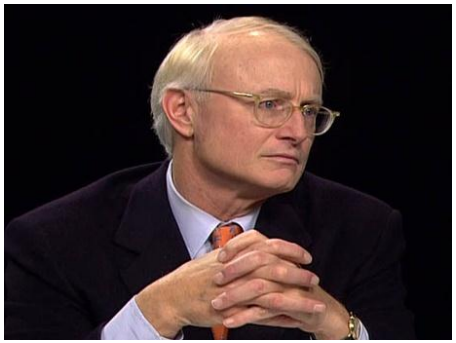
Five Forces Model


Threat of new entrants
Bargaining power of suppliers
Competitive rivalery within the industry
Bargaining power of customers
Threat of substitutes

Michael Porter
(Born 1947)
Harvard Business School.



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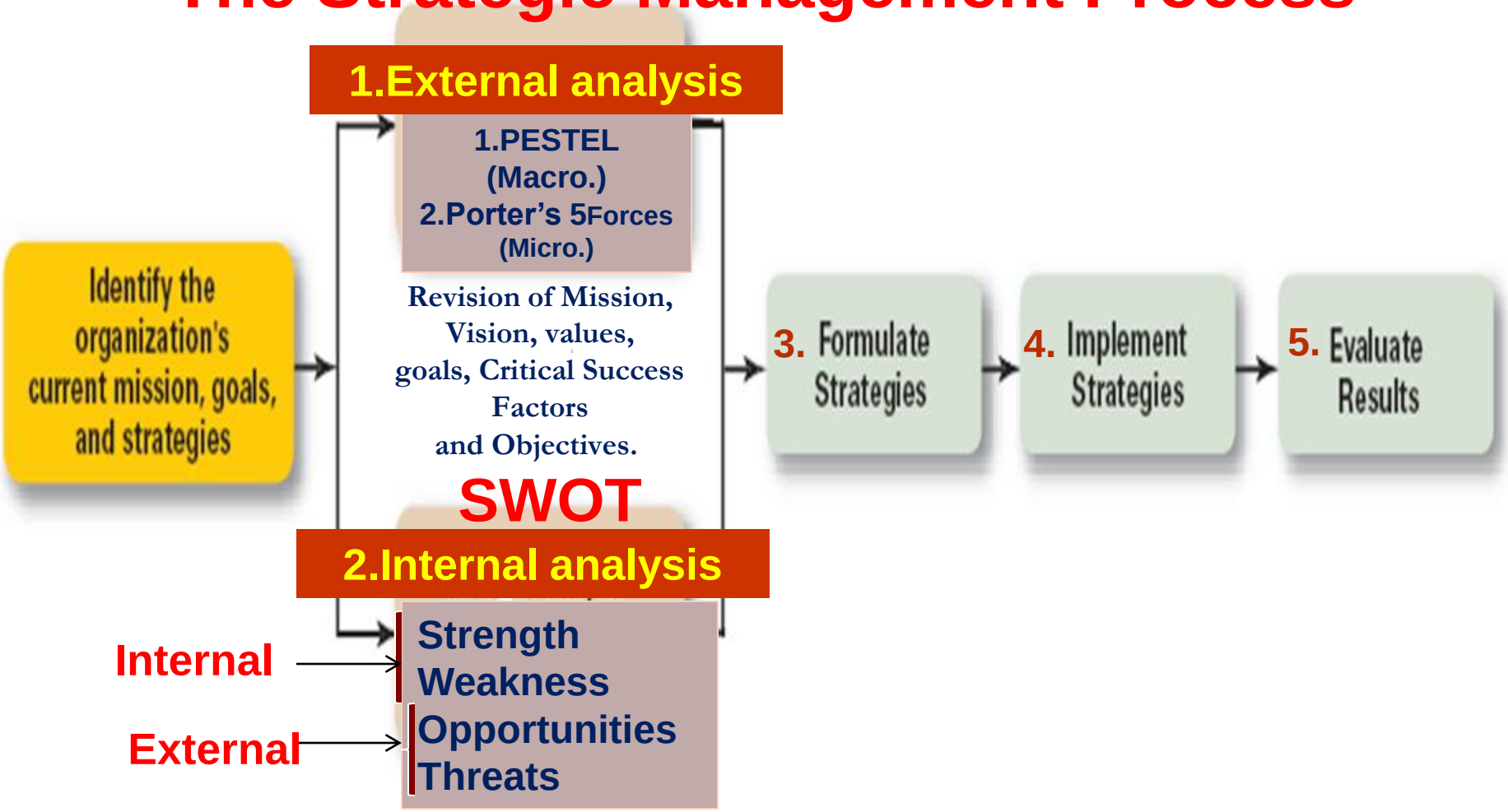
The Strategic Management Process



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ONE MINUTE EXERCISE

1-Write Short sample of your organizational: Vision, Mission, Goal & Objective

2-Compare PESTEL & Porter's 5 Forces Analyses

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Hoshin Planning:

- **Hoshin Planning:** a Japanese term that means **policy deployment** نشر. It is one approach for integration in the organization where ideas and objectives are cascaded down through the organization and passed back up by the lower ranks, i.e. **a give and take process across all levels of the organization "catch-ball".**

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History of Hoshin Kanri

- ** Hoshin Kanri is used to communicate company policy to everyone in the organization
- ** Its primary benefit is to focus activity on the key things necessary for successes.

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Leadership:

Translating Strategic Goals into Quality Outcomes

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Managerial Leadership

Differences Between What Leaders and Managers Do

MANAGERS	LEADERS
Deal with status-quo	Deal with change
Work in the system	Work on the system
React	Create opportunities
Control risks	Seek opportunities
Enforce organizational rules	Change organizational rules
Seek and then follow direction	Provide a vision to believe in and strategic alignment
Control people by pushing them in the right direction	Motivate people by satisfying basic human needs
Coordinate effort	Inspire achievement, energize people
Provide instructions	Coach followers, create self-leaders, and empower them

1000ventures.com

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The American Hospital Association outlined six broad categories of responsibilities and functions for the board and top leaders:

1-**Organization**

The governing body or board is responsible for organizing itself effectively, **for selecting a qualified chief executive officer (CEO)**, and for **ensuring that the medical staff is appropriately organized.**

2- **Public policy and external relationships**

The governing body is responsible for **maintaining productive external relationships** and for influencing public policies related to healthcare.

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The American Hospital Association outlined six broad categories of responsibilities and functions for the board and top leaders:

3- **Strategic planning**

The governing body is responsible for and has the authority **to develop a strategic plan** and determine the organization's mission, goals, and objectives.

4- **Resource management .** The governing body has oversight for the organization's resources, including **development, utilization, and maintenance.**

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The American Hospital Association outlined six broad categories of responsibilities and functions for the board and top leaders:

5- **Human resource development**

The governing body is responsible for **the protection and enhancement of the institution's human resources**.

6- **Education and research**

The governing body is responsible for ensuring **access to education and research programs** that support the organization's mission.

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For practical purposes, day-to-day leadership is delegated to the CEO and senior management, elected or appointed members of the medical staff (e.g., chairs), and administrative and clinical staff (e.g., healthcare quality professionals).

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B. Fundamental Principles of Leadership

Leadership is **the ability to influence** an individual or group toward achievement

of goals (Robbins, 2001).

Leadership and management are not identical.

Leadership is determining the correct direction or path, **whereas management** is doing the correct things to stay on that path.

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The manager or leader

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C. Leadership Framework

Practices of exemplary ممارسات نموذجية(IDEAL) leaders were explored by Kouzes and Posner (2002) who identified five important general practices:

1- Inspire a shared vision,

2- Challenge the process,

3- Enable others to act,

4- Model the way, and

5- Encourage the heart.

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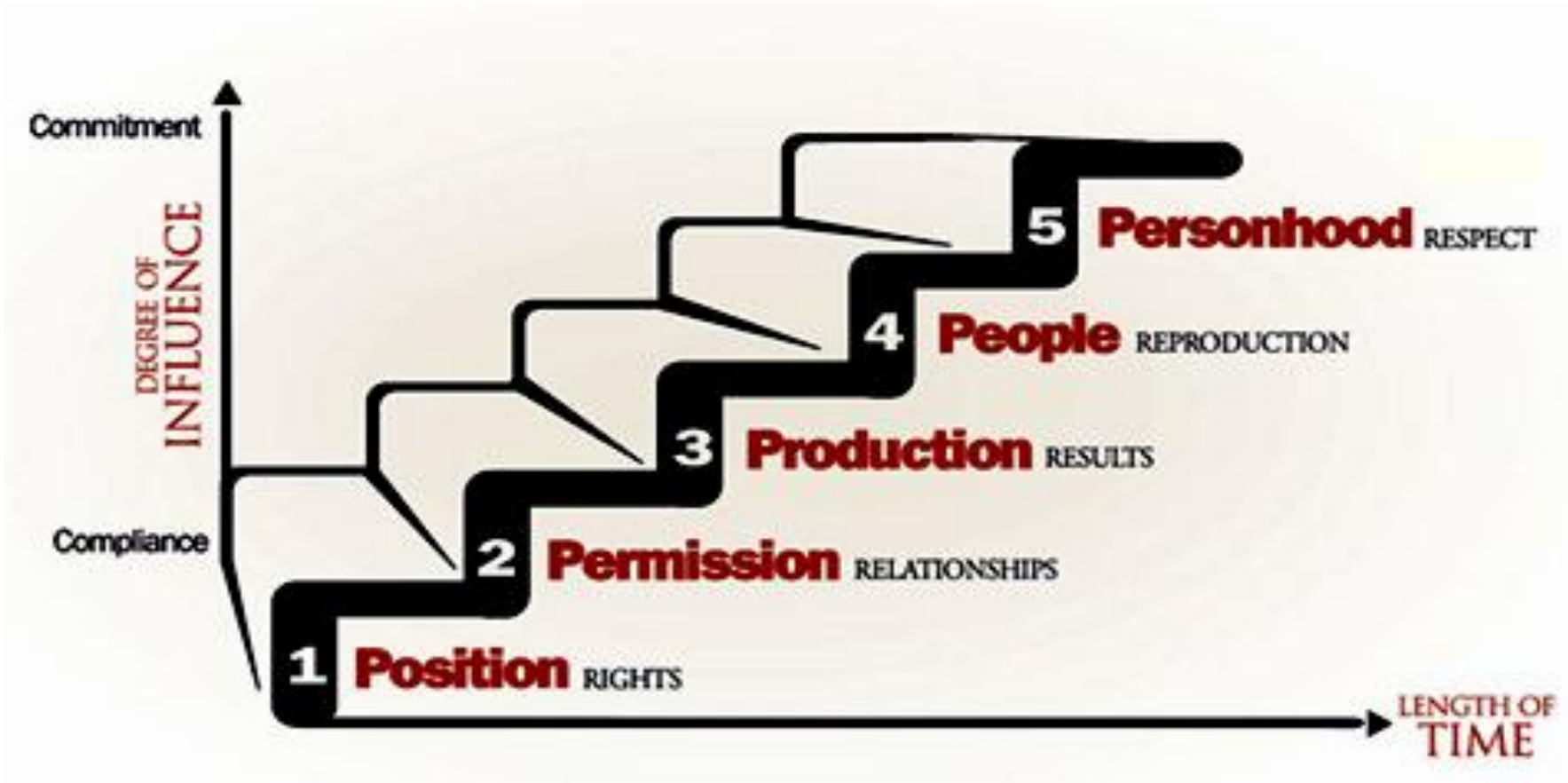
The Five Levels of Leadership

A Look at Why People Follow Their Leaders



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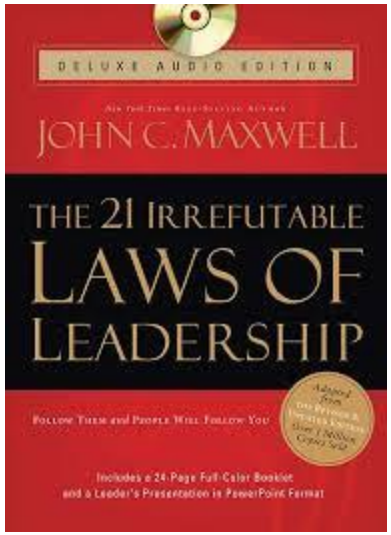

21 Irrefutable Laws Of Leadership by John Maxwell

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Leadership is a slippery concept.

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Managed Care

Definition:

Managed care is a health care insurance system that includes careful **planning** and **delivery of coordinated healthcare services** within **an integrated delivery system** for **an entire episode of illness** as well as **health maintenance.**

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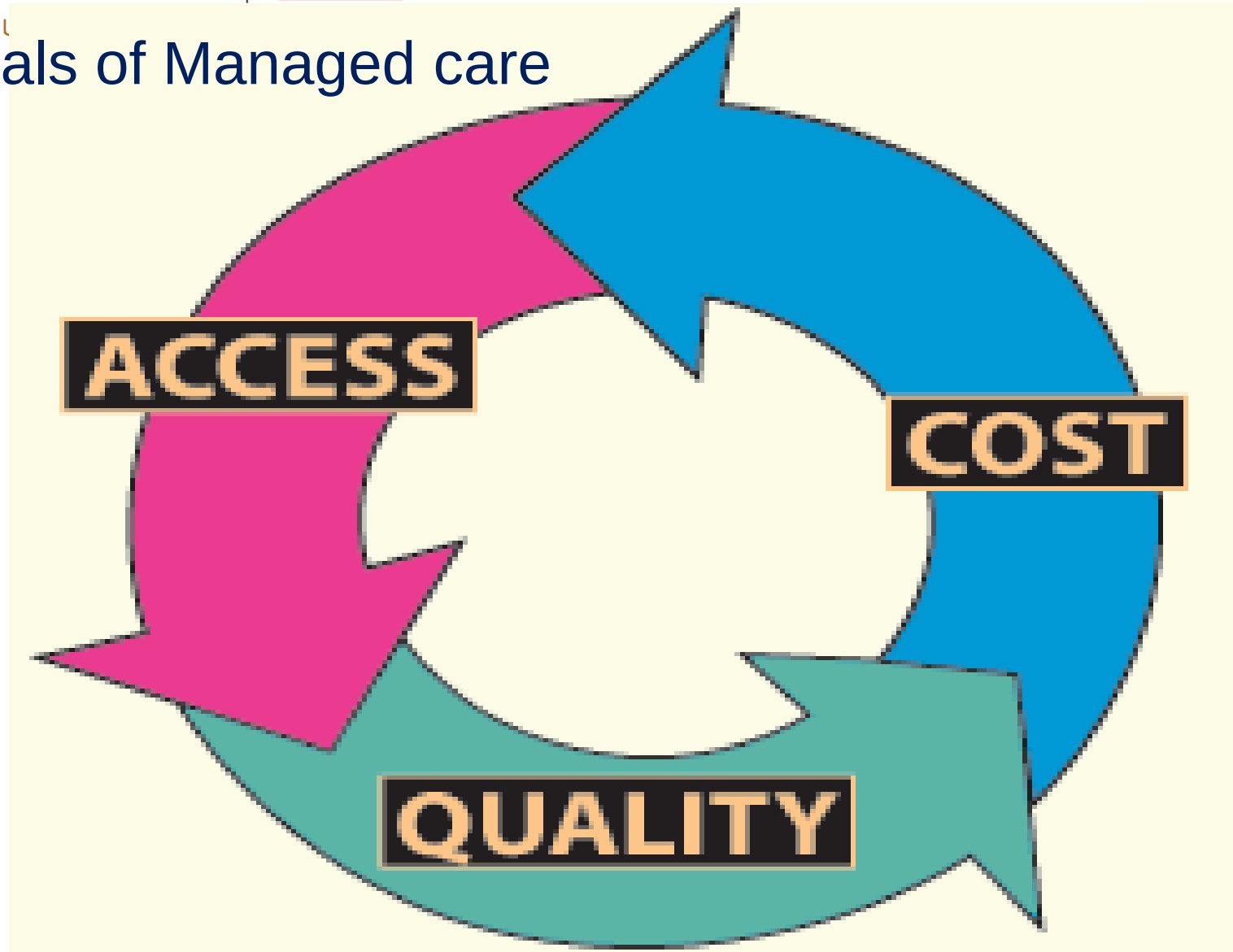
Goals of Managed care



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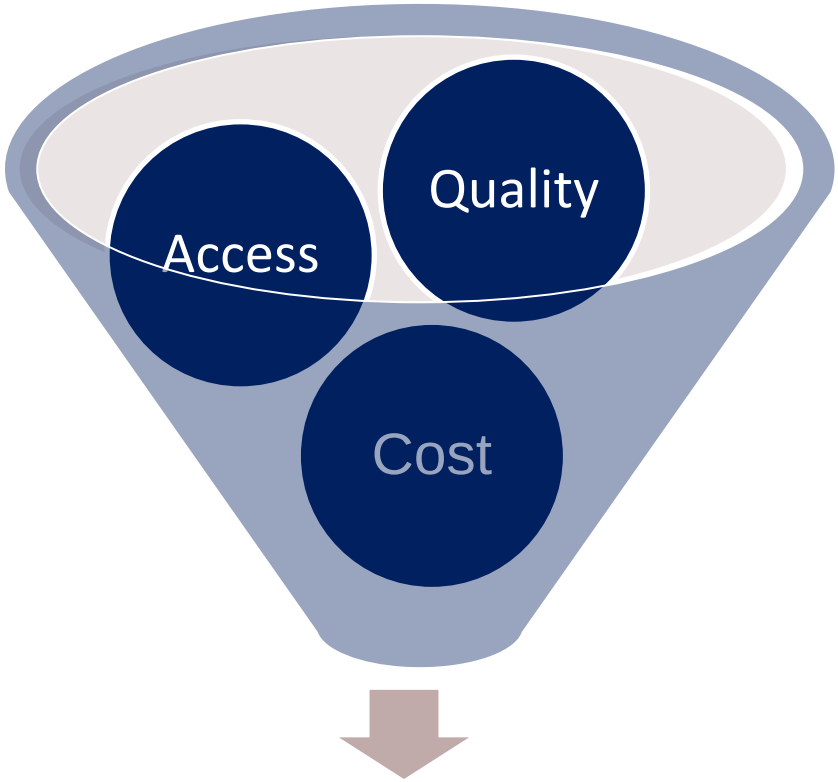
Goals of Managed care



(Often) competing goals

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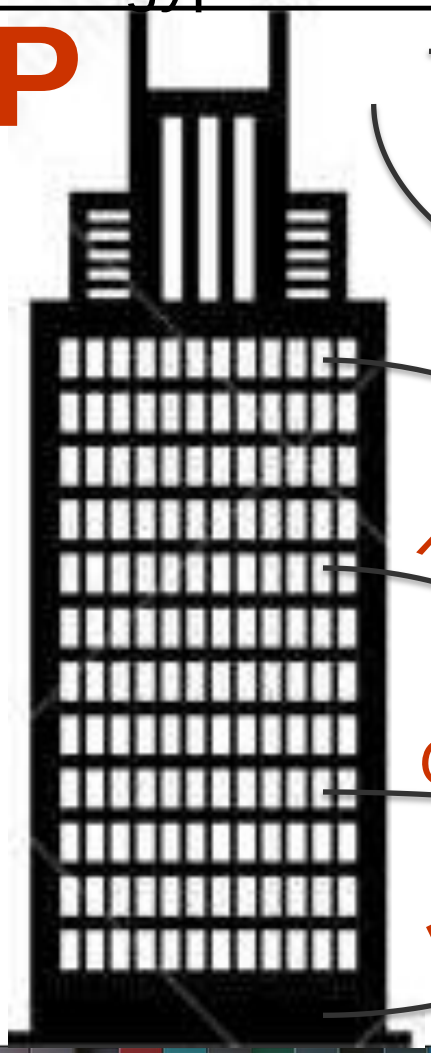
Healthcare in Egypt Nowadays

MOHP

+

Public Hosp
Privat HC Centres
Universités
Labs
Radiologies Canters



Provision of HC care

Financing of HC care

Regulator

Auditor

Quality

Licensure

Accreditation

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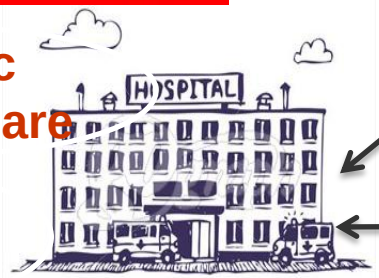
MCO's

Financing of Health care
3rd Party Payer

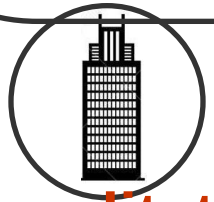
Public Health care

Private HC



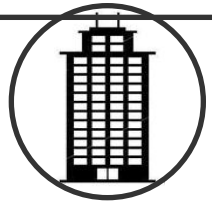
HC Provider
2nd Party

Patient
1st Party



Accreditation
Independent body

Quality
Independent body



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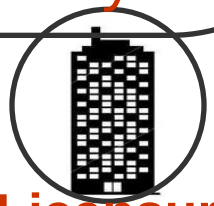
Regulator



Licensure
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MCO's

Financing of Healthcare 3rd Party Payer

1. Ask patient about his HC Needs

2. Negotiate with providers about fees + Quality + Safety

3. Negotiate with Patients How they will PAY

4. Negotiate with Providers about method for REIMBURSMENT

Public Healthcare

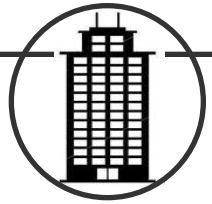
Private HC

HC Provider
2nd Party

Patient
1st Party

Accreditation
Independent body

Quality Independent body



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Regulator

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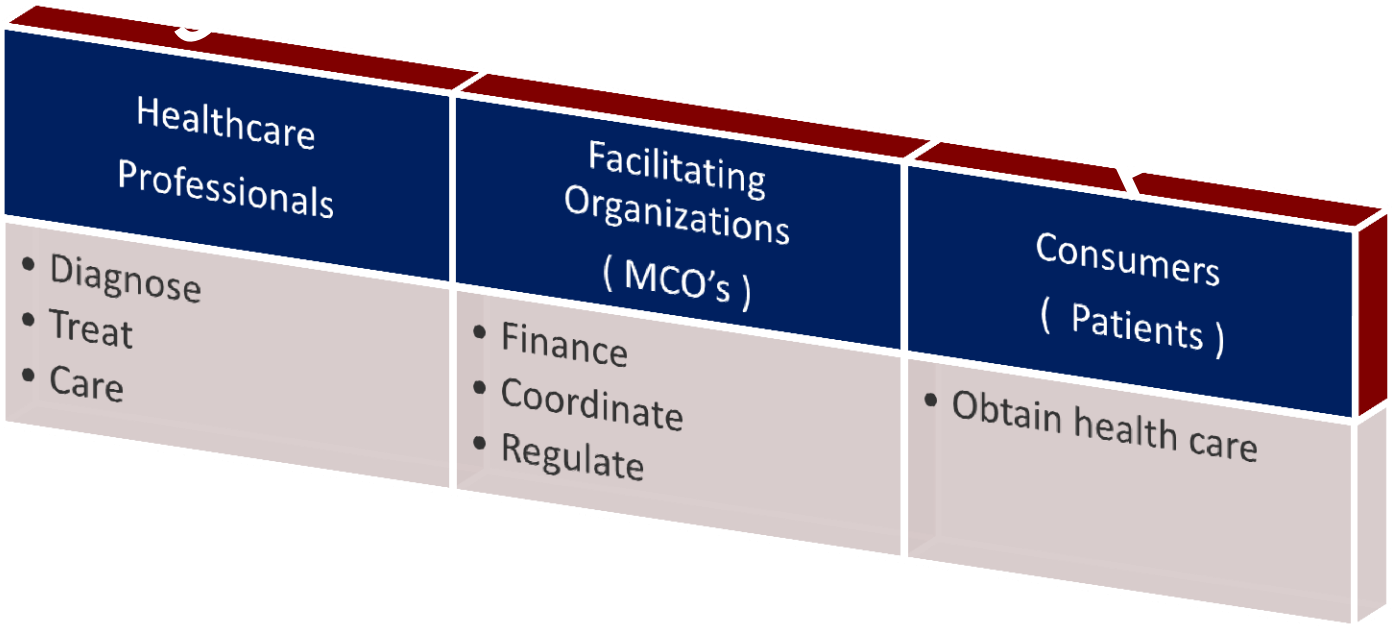

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MCO's

1. Capitation
2. Fee-for-service "FFS",
3. Discounted Fee-for-service,
4. Straight Salary,
5. Prospective Payment System "PPS".
6. DRG's & Case Mix

Financing of Health care

3rd Party Payer

How patients pay ?

1. Deductible
2. Copayment
3. Co-insurance (%)

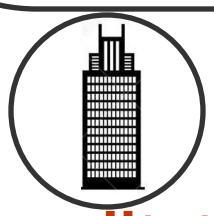
1. Public Health care
2. Private HC

HC Provider

2nd Party

Patient

1st Party



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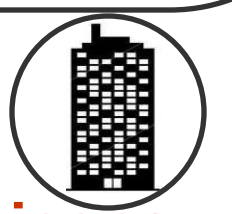
MOHP

Regulator



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MCO's

Financing of Health care
3rd Party Payer

How patients pay ?

1. Deductible
2. Copayment
3. Co-insurance (%)

Public Health care

Private HC

HC Provider

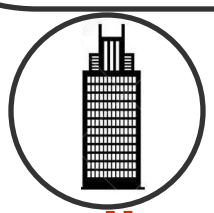
2nd Party

Basic rules for the application of managed care:

1. Pre-authorization
2. Utilization review and case management
3. Patient case management
4. Population management

Patient

1st Party



Accreditation

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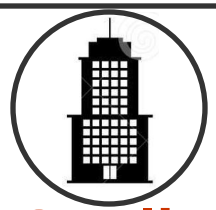
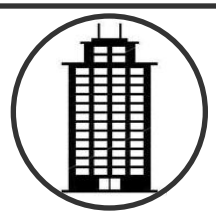


Quality

Independent body



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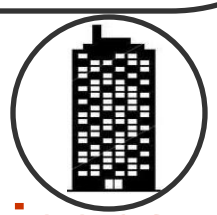

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Prospective Payment System "PPS".

- ***Diagnosis–Related Groups*** **(DRGs)**
- ***Capitation***
- ***Service risks***
- ***Financial risk***
- ***Case rate/Flat rate/Global fee***
- ***Per Diem charges***

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Diagnosis Related Groups
DRG's

- A scheme for billing for medical and especially hospital services by combining diseases into groups according to the resources needed for care, arranged by diagnostic category. A dollar value is assigned to each group as the basis of payment for all cases in that group, without regard to the actual cost of care or duration of hospitalization of any individual case, as a mechanism to motivate health-care providers to economize

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Case mix (CM)

The grouping of patients requiring similar tests, procedures, and resources that are treated at a particular hospital.

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Practitioner Appraisal

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What is Credentialing ?

- It is a primary evaluation process that involves the verification of the practitioner's right to participate in the medical staff membership *and* of his/her competency to provide patient care in the appropriate setting.

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Credentialing Bases ?

- Competency
- Adherence to agreed-upon clinical practice guidelines and medical staff bylaws.
- Ability to get involved in the QI activities within the organization.

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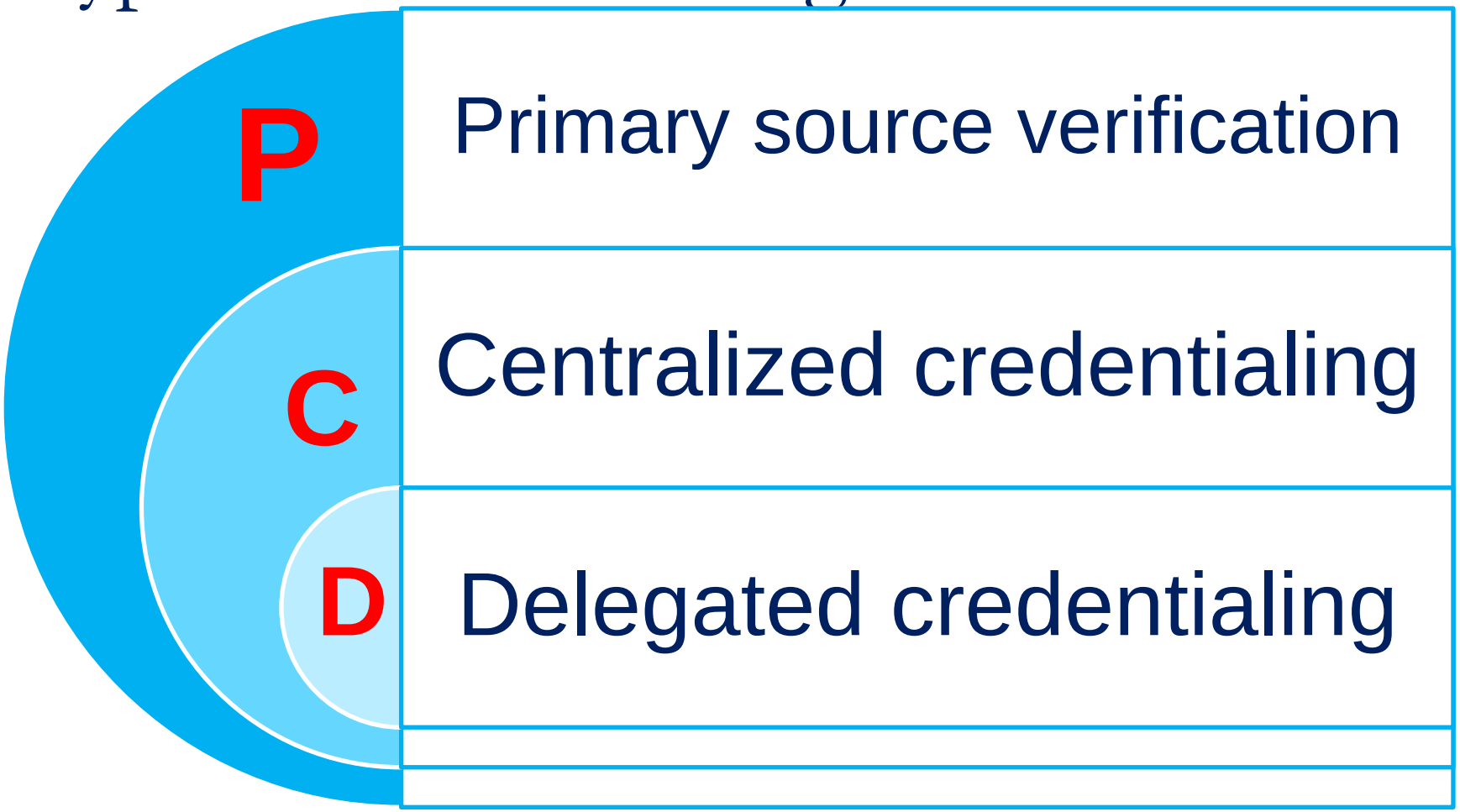
Types of Credentialing:



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Clinical Privileging Process:

- Definition: granting permission to prov specific medical or other patient care services in the organization, within we defined limits, based on the individual's professional license, competence, experience, ability and judgment, and on the organization's ability to provide and support the service.

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Privilege Statuses:-

1. Approved
2. Emergency
3. Temporary

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Clinical Practice Guidelines:

- Are systematically developed statements to assist practitioner and patient decisions about appropriate healthcare for specific clinical circumstances.
- CPGs are based upon Evidence-Based Medicine “EBM”.

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A Clinical Pathway

- Is "an optimal sequencing and timing of interventions by physicians, nurses, and other staff for a particular diagnosis or procedure; it is designed to minimize delays and resource utilization and to maximize the quality of care."

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Thank You!

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